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National
Home Center News ®

Vol. 12, No. 9 $2 a copy The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. April 21, 1986

Bruce Barter, of Handy Andy, at the chain's recent opening in Milwaukee. A second unit will open in the fall, and a third unit is planned for the market. NHCN photo

Handy Andy debuts Milwaukee's largest unit

By Gary S. Ruderman
NHCN staff editor

MILWAUKEE — Handy Andy Home Centers of Wisconsin opened April 11 in Milwaukee with the largest home center in this market of 1.1 million people.

Following five days of teaser print and television ads, the 103,000-sq.-ft. combination warehouse and showroom began a test run, for employees and their families, April 9, before opening to the public two days later.

A grand opening is planned for May, according to Bruce Barter, chief operating officer and partner in the venture.

He said a second 63,000-sq.-ft. store is under

(Continued on page 77)

Hechinger dumps whse format; cites low margins and sales

By Phillip M. Perry
NHCN staff editor

LANDOVER, Md. — Hechinger Co. said late last month that it would no longer build warehouse home centers, because the levels of sales and gross margins achieved at such stores had not met expectations.

The $479 million company began an experiment with warehouse home centers late in 1984, when it built its first such unit in Raleigh, N.C. By the end of last month, the chain operated eight warehouse units and 47 traditional home centers.

The company has launched a $16 million campaign to remodel its entire chain—traditional and warehouse stores alike—into a new prototype called "the new Hechinger." This campaign was begun on March 22 with the completion of the remodeling of the company's two stores in Richmond, Va.

Speaking before a meeting of the New York Society of Securities Analysts, officials of the $479 million company said that, in markets where the company had constructed warehouse units against similar stores built by competitors, gross margins and revenues had fallen below acceptable levels.

"You can do greater volume and obtain a better return on investment with warehouse

(Continued on page 77)

Financier claims Geneen bid for Grace has been accepted

By Milford Prewitt
NHCN staff editor

NEW YORK — A partner in a triumverate seeking to buy the retail division of W.R. Grace disclosed that the group's bid has been accepted and merely awaits the resolution of some "mechanical" points before the deal is put to rest and made public.

"As far as we are concerned, we've got a deal," said financier Michael Rosenthal, who along with Harold Geneen, former chairman of ITT and David Mahoney, former chairman of Norton Simon is attempting to purchase the retail division, which includes 317 home centers.

Rosenthal declined to state the final purchase price for Grace's remaining retail network and would not elaborate on the nature of the final closing points. He was also reluctant to suggest when the finished deal would be made public.

"If you've never been through one of these transac-

(Continued on page 78)

Nursery and craft chain plans national expansion

By Donald Longo
NHCN staff editor

DETROIT — Frank's Nursery & Crafts, the 139-unit chain of lawn, garden and craft stores that operate mainly in the Midwest and Middle Atlantic states, opened the first four of a projected seven outlets in the St. Louis market early this month.

In line with its parent company's plan to become the only national chain of retail nursery and craft stores, Frank's plans to enter other new markets, including the cities of Louisville, Ky., and Orlando, Fla., in the coming months.

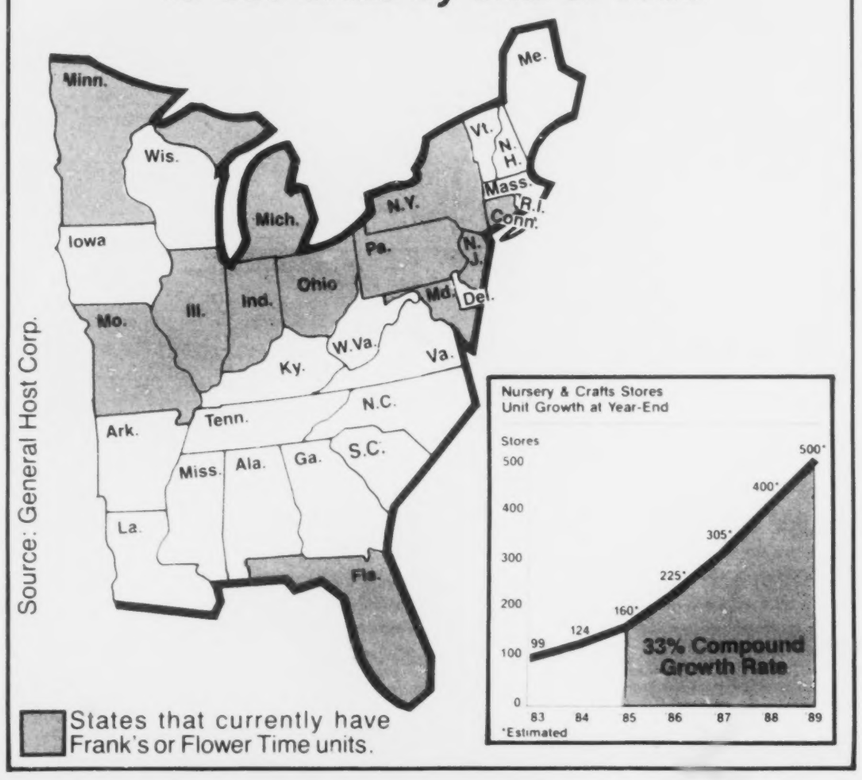
The subsidiary of Stamford, Conn.-based General Host Corporation recently opened the first of about 24 planned stores in southern Florida and has converted seven former Scott's home improvement centers in the Baltimore/Washington area into Frank's outlets. The remaining 10 Scott's units, acquired from Scotts Seaboard Corporation last July, are expected to be reopened by mid-year.

This year's ambitious plan calls for opening 65 stores in both existing markets and new markets contiguous to current trading areas.

This expansion by Frank's comes at a time when several other companies are looking to capitalize on the tremendous growth in the sale of outdoor products. The first in a proposed chain of 25 Yard King

(Continued on page 78)

Frank's/Flower Time plans growth to 500 units by end of 1989



Evans Ch. 11 reorganization hits lender snag

By John Caulfield
NHCN staff editor

SAN FRANCISCO—The reorganization of Evans Products Co. hit a snag late last month, when the company's bank lenders turned against a tentative agreement struck between attorneys for Evans and the banks.

That agreement (*NHCN*, March 24) contained a provision that would have had the banks redistribute the stock of Evans Transportation Co. to shareholders of Evans Products Co.

However, according to Patrick Murphy, an attorney for the bank lenders from the law firm Murphy, Weir & Butler

(Continued on page 78)

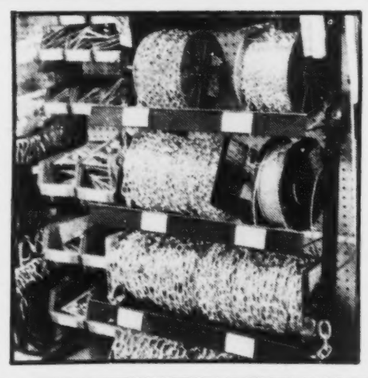
Inside

Perspectives: As it begins a major restructuring, Belgium's GB-Inno-BM is concentrating on expanding its home center operations. **21**

Europe: The difficult European economy is making DIY retailing something less than the gentlemanly business it once was. **24**

Merchandising: Many home centers are remerchandising to devote increased space to hardlines specialization **33**

Market analysis: Senior editor Don Longo examines southern Florida, where chains compete in a market that contains, what some describe as, 'Blood Alley'. **44**



Newsbreaks

BUYER FOUND FOR NEIMAN-REED: Veteran lumber retailer Jess Ruf bought an ownership stake in the 12-unit, Van Nuys, Calif.-based chain and replaced Doug Williams as president and ceo April 4. Ruf, owner of single-unit Sunset Builders Supply in Los Angeles, intends to complete his acquisition of the 38-year-old chain within a year.

PAY 'N PAK'S EXECUTIVE VP RESIGNS: Monte A. Leen, 43, the 106-unit, Kent, Wash.-based retailer's No. 3 official, resigned his post as executive vp and company director April 1.

Industry Update

NHD opens 3 new units in NE

STOUGHTON, Mass. — National Hardgoods Distributors, the New England chain of 20 hardware stores, will open three new units this spring in Fall River, Mass.; Groton, Conn.; and Nashua, N.H. The stores, which will be located in shopping centers, range in size from 15,500 sq. ft. to 18,000 sq. ft.

The company also plans to construct new stores for openings this fall in shopping centers in East Providence, R.I.; Plaistow, N.H.; and Marlboro, Mass.

NHD currently operates 20 Super Hardware Stores—nine in Massachusetts, 10 in Rhode Island and one in Connecticut. National Hardgoods president Sheldon M. Woolf also noted that the company's newly appointed director of real estate, Richard W. Keller, is actively reviewing sites for a continuation of aggressive growth plans in 1987.

Knox LBO date set for late April

ST. PAUL, MINN. — Although the leveraged buyout of Knox Lumber Co., "is still on," according to company president Richard Miller, the closing date has been pushed back again, this time from March 30 to late April.

The deal "looks probable," Miller said. "We're now talking about the actual transfer of funds."

Knox, a 10-unit home improvement retailer headquartered in St. Paul and owned by the Phonenix-based Southwest Forest Industries, is being sold to a group of investors that includes some Knox management and the Sterling Group of Houston, an investment banking firm, for $29 million plus the assumption of certain liabilities.

Brewsters in sale negotiations

PROVIDENCE, R.I. — Negotiations for the purchase of Brewsters, the four unit independent based here, by P. F. O'Connor Co., based in Braintree, Mass., are currently under way according to several sources. Arthur Milot, president of Brewsters confirmed that all four units in Connecticut, Rhode Island and Massachusetts would be sold together, but otherwise declined to comment.

P. F. O'Connor operates one unit in Middleboro Mass., under the name Causeway Lumber and five additional units in Florida, New Hampshire and Massachusetts which trade under the P. F. O'Connor name.

Stocks reverse, take a breather

NEW YORK — Home center industry stocks took a breather from the lofty price gains of the past eight weeks, as losers outnumbered winners 40 to 17, with one issue unchanged, for the two-week period ended April 4.

While this represents a reversal of the previous period's gainers-losers scorecard, industry-wide market value for both retailer and manufacturer issues was slightly higher than for the previous period.

Hechinger B topped the gainers list with a 9.5% price gain to $26. Homecrafters Warehouse and Payless Cashways also reported better than 5% price rises for the period.

See financial tables, page 88.

17 Gainers

Unchanged 1

Losers 40

If you spot home center industry news, call the *NHCN* NEWS HOTLINE:

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Available throughout the U.S., except New York State and Alaska: 212-371-9400, 9-5:30 (E.S.T.).

National Home Center News (ISSN 0192-6772) is published biweekly, every other Monday, 26 times a year, beginning with the first Monday in January; by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Subscriptions are available at no charge to qualified retailers and wholesalers of lumber and building supplies and hardware. Paid subscriptions are available to nonqualifying retailers, manufacturers, other wholesalers, schools, libraries and all others at the rate of $36 per year (26 issues); $37 to Canada. Foreign subscription: Airmail only, $125 per year. Group rates are also available: (prices are per year), 1 to 4 copies, $36; 5 to 39, $33; 40 or more, $30. Single copy rate is $2 except first May issue (Annual Census) and second July issue (Consumer Attitude Study), $15 each.

Second class postage paid at New York, N.Y., and additional mailing offices. Vol. 12., No. 9, Copyright© 1986 by Lebhar-Friedman Inc. All rights reserved. Postmaster: Please send address changes to Subscription Dept., National Home Center News, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079. For change of address six weeks is requested. Give old and new address and zip code. If possible, enclose address portion from cover on previous issue.

Vol. 12, No. 9 April 21, 1986

New specialty store strategy unveiled

Montgomery Ward scales down home improvement offering

By John Caulfield
NHCN staff editor

CHICAGO — Montgomery Ward intends to discontinue or scale down considerably the home improvement product offering in its 120 small to midsized stores. In addition, the company, which is in the midst of an asset redeployment program, has begun a major retrofit and remerchandising effort that will include 40% of its 290-plus units this year.

Last month, the $4.2 billion retailer began its program to convert 34 small to midsized units and eight larger stores to mirror specialty unit prototypes the company has been experimenting with in six cities since late last year.

Another 75 small to midsized stores will be remerchandised along specialty lines, although they won't be retrofitted.

The larger units, of which there are 170, run from 85,000 to 110,000 sq. ft.; Ward's other stores are from 40,000 to 70,000 sq. ft.

Since August, Ward's has been implementing a program that will transform the company into more of a specialty retailer. Part of that move included discontinuing its 113-year-old catalog which, according to company spokesperson Lauren Luik, had been losing $50 million annually for the past several years.

Only a small assortment of

(Continued on page 78)

Kuntz exposes commodities in effort to drive up project sales

By Phillip M. Perry
NHCN staff editor

DAYTON, Ohio — Nearly a year after opening the largest store in its history, Peter Kuntz Building Centers has taken a second major step in its drive to punch up its profitability in a changing—and far more competitive—market environment.

Last month, the $54 million company completed a renovation of its largest volume store, its eight-year-old unit located on Alex Bell Road in this city.

"Our primary consideration was to get more visibility of lumber and commodities in the store," said Bob Laravie, advertising manager for the chain. "They represent some of our highest volume departments, but the average consumer coming into the store didn't see them."

Two gondola runs of doors and windows, each of which stretch over 30 feet, are positioned at the very front of the showroom. Lumber and building materials, hardware and builders hardware, and electricals have also been moved forward in the store.

For Peter Kuntz, the move reflects a larger plan to present a stronger commodity presence throughout its 21 stores. Last year the company opened the largest store in its history, a 38,000-sq.-ft. showroom in Englewood, Ohio that exposed commodities at a spot clearly visible from the parking lot. (*NHCN*, May 6, 1985). The new store represented a radical departure from its largely consumer-oriented unit, opened in 1983 in Huber Heights, Ohio.

The area of Dayton, Ohio has been the scene of new store acivity recently, and the heightened competition has been a driving force behind the company's remerchandising. Furrow's, a name used for Payless Cashways stores in some areas, opened its first unit in the market a year ago, across the street from the PK unit in Huber Heights. And Furrow's is currently constructing a second unit, this time on a site only two miles from the PK at Alex Bell Road.

"We see the potential that the Alex Bell store has," said Laravie. "With the new competition moving into the area, if you sit still and do nothing, you're going to get hurt."

Highlights in this issue

Perspectives

cover story

HOME CENTER EXPANSION PLAYS KEY ROLE IN GB—INNO PLANS

As it begins a major restructuring effort, GB-Inno-BM, the $3 billion retailer based in Brussels, is concentrating on expanding its home improvement operations, both in the United States, and in Europe where its home center chains in France and Belgium struggle against competition in markets dealers say are stuck in neutral.—**21**

research

- Gross margins, sku's on rise in hard lines departments —**54**

market analysis

- Retailers battle for niche in south Florida's 'Blood Alley' —**44**
- Builders Square rolls out first south Florida unit in converted Jefferson Ward store —**44**

merchandising

- Hard lines sales strengthened by store presentations —**31**
- Lindsley reformats to emphasize hard lines categories —**33**
- In-store display presentations linked to chain sales boost —**35**
- Quality packaging for hardware items gains consumer interest, —**36**
- Retailers not promo minded in hardware department —**39**
- Yard King upscales L&G with $700 trees, florist shop —**42**

INDEX

Advertisers Index 75
Business Watch 4
Calendar 70,73
Classified 74,75
Editorial 8
Financial News 5,6
Home Center Market Summary 76
Housing Watch 10
Lumber Futures 16
Lumber Report 16
People 50,53
Washington View 8

SYSTEMS & OPERATIONS

- Rickels Service Pledge strategy accelerates check out traffic —**62**
- Seminar helps suppliers effectively improve their standing with dealers —**62**
- Scotty's needs Miami advice on first move into Dade County —**64**

AD & MARKETING

- Seminar views tactics of negotiation —**61**
- Depot promotes new Spielberg movie, 'The Money Pit,' with ticket drawing —**61**

Lumber products prices surpass highest levels in '85

By Milford Prewitt
NHCN staff editor

NATIONAL REPORT — Price points for most lumber and structural panel products in March surpassed the highest levels reached in 1985 and could match post-recession records if demand and consumption activity grows through the summer, industry sources and analysts believe.

A number of encouraging economic developments blended together about the first week in March to bring forest products producers some of the highest mill prices the industry has experienced since 1983.

While lumber and plywood prices historically have risen with heightened construction from warmer spring weather, the surge in this season's prices is viewed in an upbeat light by an industry that has been considered depressed since the start of the decade.

Random Lengths (March 28) lumber composite price index—a broad measuring stick that gives an average selling price of five key lumber products—reported that framing lumber was selling at $239 per thousand board feet compared to last year's level of $178.

But in specific product lines, the newsletter identified even more telling increases. A key dimensional lumber in roof and floor trusses, 1x12 KD ponderosa pine, was selling at $295 per thousand board feet at the end of March 28, compared to $203 last year.

Industry observers said lower interest rates, strong housing starts, better weather and the general perception of lowering inflation triggered unseasonably high mill orders and volatile futures speculation. This demand, together with supply interruptions in certain product lines, produced an upswing in prices.

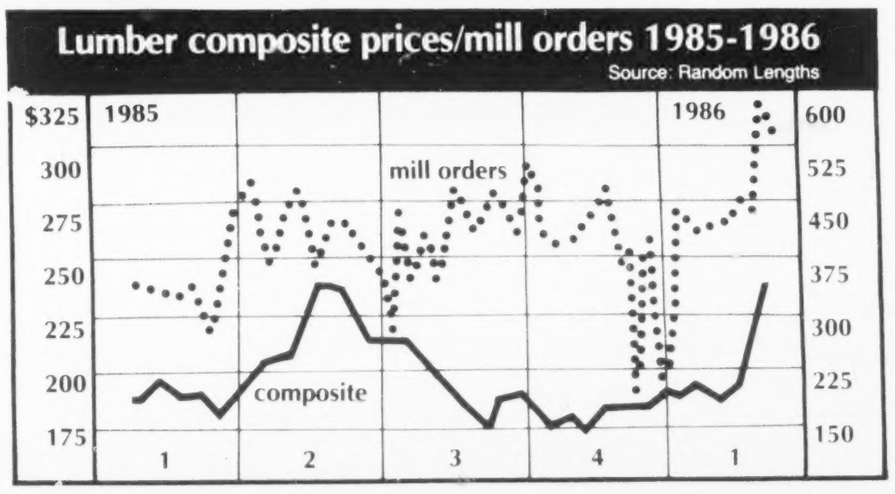
Lawrence Ross, a forest products industry analyst for Merrill Lynch, believes the drop in lumber prices is part of a deflationary cycle triggered by the plummet in oil prices.

"The oil price had more to do with this than anything else," Ross said. "The oil price comes along and drops, and all of a sudden, it looks as if inflation is going to go down in the world and then as interest rates go down and mortgage rates go down, the number of families that can afford new homes increases and you start getting housing starts above expectation.

"With higher housing starts, people's whole perception of the market changes and all of a sudden they run and they buy for inventory because they know the history of this business that anytime interest rates go down and stay down, there is a surge in lumber and plywood prices."

But in addition, observers said a number of industry-specific factors have played a part in the lumber price spiral.

(Continued on page 16)



Buoyed by strong housing starts and intense futures trading, lumber prices and mill orders in March topped the highest levels reached in 1985. And, while prices traditionally rise in the spring, the current upswing follows a leveling off period of seven months.

Torrential downpour causes Home Depot roof collapse in Fla.

By Donald Longo
NHCN staff editor

WEST HOLLYWOOD, Fla. — A torrential downpour that dropped five inches of rain on southern Florida in just three hours caused a portion of the roof of a Home Depot warehouse store here to collapse, deluging the building with a foot of water, buckling steel support girders and causing minor injuries to two employees.

According to Public Information Officer Frank Poynter of the Broward County Sheriff's Department, the cave-in occurred at 10:33 P.M. on March 26 at the south end of the store, which is located at 1951 South State Road 7, at the corner of Pembroke Road. The Home Depot unit, a former Treasury discount store, shares a shopping center with a Service Merchandise catalog showroom and a Marshall's department store. The adjacent stores were not damaged.

An inventory team of seven workers had just closed the store and was in the parking lot when a 50-ft. by 100-ft. section of the roof fell, said Poynter. One employee was treated for a sprained ankle and another for emotional distress following the crash that sent smaller merchandise flying against the store's front glass windows, which somehow withstood the surge, Poynter told *NHCN*.

Firemen, paramedics and spectators wade through over 1-ft. of water in front of The Home Depot in West Hollywood, Fla., after torrential downpour caused a large section of the store's roof to collapse. Two store employees were slightly injured in the March 26th mishap.

Miami Herald photo by Walter Michot

The local fire chief was quoted in a radio report as saying the weight of the water on the roof "twisted the I-beams like pretzels."

"At first glance, I would say they [The Home Depot] were lucky," said Poynter, who ex-

(Continued on page 78)

New warning labels may protect against potential hazards of paint stripper

By Gary S. Ruderman
NHCN staff editor

NATIONAL REPORT — In what one participant called a "historic" meeting, manufacturers, formulators and consumer groups began working with the Consumer Product Safety Commission (CPSC) last month on ways to better protect consumers from the risks of methylene chloride, a chemical used in paint remover.

Methylene chloride was linked in 1985 by a federal testing laboratory to cancerous and noncancerous tumors in laboratory animals.

"It's the first time we didn't have to get into a debate over the complex scientific data," said Patrick Hurd, counsel for the National Paint and Coatings Association, representing formulators and aersosol paint manufacturers. "I'd say it was historic. It's the first time we're all together. If all of us and the CPSC can sit down without protracted rule making, we can reduce consumer exposure to methlyene chloride," said Hurd.

The hearings are part of a rule-making procedure by the CPSC. Once new wording for labels, for example, are agreed upon and the commission endorses the wording, new labeling is a voluntary move by manufacturers of paint strippers and other products that use methylene chloride.

The new labeling is mandatory if the CPSC commissioners make a rule, perhaps three years down the road.

The goal, according to Hurd and several others, is threefold: better labeling as to the long term health risks of methlyene chloride, better consumer education at the store level and possible reformulation of paint

(Continued on page 77)

Ex-Walker-Kurth unit kept open by former employees

By Laura Liebeck
NHCN staff editor

KILLEEN, Texas — When the Walker-Kurth Lumber Co. closed its doors for the last time last year, the doors to its Killeen store remained open.

Unlike the other four stores owned by the Houston-based company that liquidated the outlets last year, the unit in Killeen, located 200 miles west of Houston between Austin and Waco, was sold. The new owners are James W. Clark II, 28, of Copperas Cove, Texas, and Donald E. Farek, 48, of Killeen. They renamed the store Clark/Farek Building Supply Center, but kept the company emphasis on the builder customer.

"We're still going," asserted Nell Mangerich, manager of Clark/Farek and a 30-year employee with the unit through its many owners. "We're still alive."

Clark/Farek was purchased from the Walker-Kurth Lumber Co. by Clark and Farek on May 8, 1985 for an undisclosed sum. The unit had been part of the Walker-Kurth operation for six years.

In its first year of operation, Clark/Farek is expected to tally sales of $8 million, the same as when it was a Walker-Kurth store, said Mangerich, who was the general manager of the store before the sale. "If we can reach that $8 million we'll make money, but it won't be a big amount," added Farek.

Clark/Farek does 70% of its business with professional customers, operating from a 3½-acre site that includes an 8,000-sq.-ft. retail showroom and a 7,000-sq.-ft. lumber and building materials facility. The company also operates a door plant. It stocks between 13,000 and 15,000 sku's.

Although Clark/Farek has undergone a lot of changes since the new owners took over, Farek said there is still more to come. The two new owners already plan to add another unit as well as continue making improvements in the existing location.

So far, the single-unit retailer spent $76,000 on a new Data General POS system, reorganized the store layout and added some new departments and services. "We haven't done everything we want to do because of money. We'd like to redo the fixtures," said Farek.

Since the purchase last spring, Clark/Farek bought a Green Thumb lawn care franchise from Cotter & Co.—of which it is a member—and reintroduced its home improvement program, a service it stopped in 1979 when Walker-Kurth bought the store from its then owner Bill Yowell. Clark/Farek's home improvement service involves doing minor construction work for its customers, explained Mangerich.

Clark/Farek also reorganized the 15-year-old floor layout by moving some departments around, including the paint department, which was moved from the back of the store to the front. In addition, a full-line General Electric appliance department was added in December, and also located in the front of the store. Farek said 60% of all the appliances sold at the store are sold to contractor customers.

Currently, Farek said the company is working to put more emphasis on its seasonals department, particularly lawn and garden.

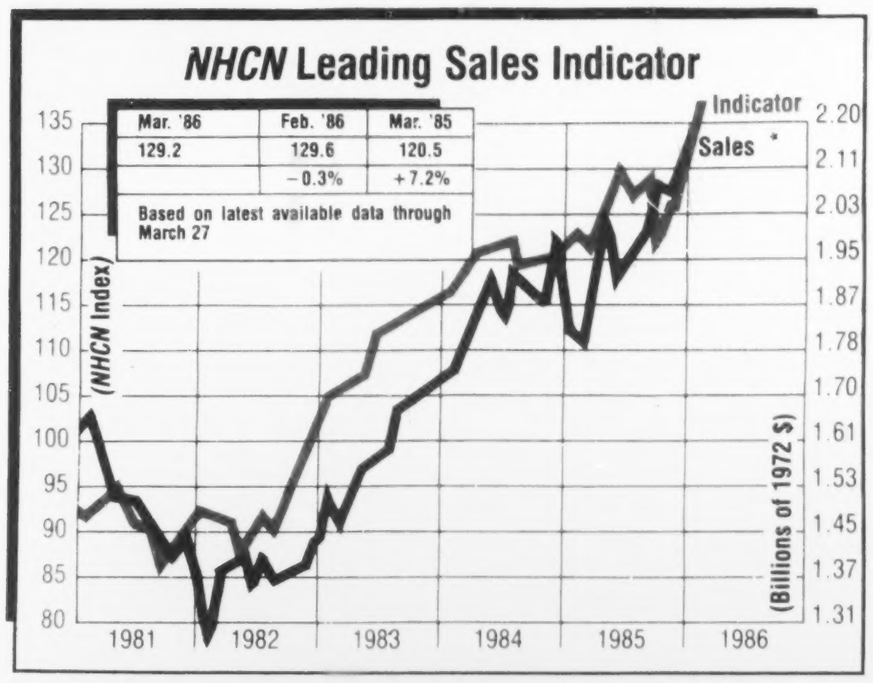
The changes at Clark/Farek also meant changes to the company's signs and color scheme, from green and beige to navy, beige and rust. It also added about five new employees, for a total of 65, and created a new corporate position, manager of operations, headed by Dwight Chandler, formerly manager of building sales and operations.

Under the helmsmanship of Mangerich, the company is divided into two divisions: builder sales, headed by Jimmy Parker, and consumer sales, managed by Bill Kozlik.

Being an independently-owned and operated business has been rewarding, said

(Continued on page 77)

BUSINESS WATCH



The *NHCN* leading indicator declined 0.3% in March. Existing home sales have been down for two months. The decline in interest rates will lead to higher resale activity in the months ahead. Data currently available indicates an April index of 130.

*—Monthly retail trade building materials and supplies in 1972$.

Indicator—Represents projected level of retail trade building supply activity four to six months out from current months. Data based on real personal income, housing starts, resales, prime rates and other data.

Plunging mortgage rates boost resale affordability, building material sales

By Richard Mount
Special to NHCN

Resale affordability points to a 10.5% rise in building material sales

The affordability of existing homes is at its highest since April of 1979.

Falling mortgage rates will increase affordability this summer by more than 10%. With home buying concentrated in the spring and summer, favorable buying conditions at these times will boost building material sales into the fall.

Mortgage rates will rebound in the second half by 50 to 100 basis points but the economy will be strong, and rising incomes will keep resales high. Resales will rise

Richard E. Mount

7% this year, possibly more.

These gains in resale affordability in turn, will lead the way for retail building material sales to rise 10.5% this year; 7% after adjusting for inflation. Of the many markets for building supplies, resales are the largest. Resales are also the major component of the *NHCN* Leading Indicator, providing guidance on the future direction of the building material industry.

Housing affordability, as measured by Merrill Lynch Economics and other firms, is a ratio of household income to mortgage payments. Affordability measures the ability of families to meet monthly mortgage payments based on changes in income, home prices, and interest rates.

In the Merrill Lynch Economics index, households are assumed to spend 25% of pretax income on mortgages and

(Continued on page 5)

Home Center Industry—General Business Outlook

		1985				1986						
		1Q	2Q	3Q	4Q	1Q^p	2Q^p	3Q^p	4Q^p	1984	1985	1986^p
***NHCN* Leading Sales Indicator** (January 1980 = 100)		120.2	124.3	125.2	123.5	128.8	130.1	129.7	129.4	117.8	123.3	129.5
General Economic Outlook												
	GNP $1982 Billion	3,547.8	3,557.4	3,584.1	3,594.8	3,638.1	3,672.6	3,712.2	3,753.4	3,774.7	3,571.0	3,694.1
	Real Disposable income $1982 Bil.	2,482.7	2,532.2	2,503.1	2,517.6	2,543.2	2,568.1	2,593.6	2,617.3	2,468.4	2,508.9	2,580.6
	Housing Permits (000 SAAR)	1,667	1,731	1,762	1,741	1,825	1,750	1,675	1,630	1,682	1,739	1,765
	Housing Starts (000 SAAR)	1,761	1,743	1,687	1,773	1,930	1,825	1,775	1,750	1,750	1,742	1,825
	New Home Sales (000 SAAR)	668	681	711	692	740	740	720	700	639	686	725
	Resales (000 SAAR)	2,970	3,047	3,363	3,500	3,450	3,450	3,400	3,350	2,868	3,216	3,413
	Prime Rate %	10.5	10.2	9.5	9.5	9.4	8.8	8.3	8.5	12.0	9.9	8.8
	Mortgage Rate % (HUD)	13.0	12.9	12.1	11.8	9.9	9.5	9.7	10.0	13.8	12.5	9.8
	Consumer Price Index (1967 = 100)	317.8	321.1	323.0	326.5	328.1	330.2	332.5	335.1	311.1	322.1	331.5
	Producer Price Index (1967 = 100)	292.1	293.8	293.1	296.5	295.7	295.0	294.7	295.3	291.2	293.9	295.2
	New Housing Affordability 1980 = 100	113.7	112.6	119.3	119.3	128.3	142.8	140.7	138.0	102.2	116.2	137.5
Residential Alterations and Repairs												
Current	Total $ millions SAAR	84,900	70,400	70,575	72,928	75,498	77,773	80,356	82,801	69,784	74,701	79,107
	Maintenance and Repair	37,300	32,400	30,888	32,074	33,102	34,149	35,212	36,294	28,894	33,165	34,689
	Additions and Alterations	29,700	25,600	26,672	27,359	28,234	28,964	29,795	30,458	27,822	27,333	29,363
	Major Replacements	17,900	12,400	13,015	13,495	14,161	14,661	15,349	16,050	13,067	14,203	15,055
Constant	Total Millions $1977 SAAR	49,739	40,975	40,670	41,610	42,650	43,500	44,500	45,400	41,134	43,249	44,013
	Maintenance and Repair	21,853	18,858	17,800	18,300	18,700	19,100	19,500	19,900	17,029	19,203	19,300
	Additions and Alterations	17,400	14,900	15,370	15,610	15,950	16,200	16,500	16,700	16,406	15,820	16,338
	Major Replacements	10,487	7,217	7,500	7,700	8,000	8,200	8,500	8,800	7,699	8,226	8,375
Retail Trade Activity												
Current	Total $ Millions SAAR	1,337,312	1,369,400	1,399,296	1,388,316	1,402,764	1,425,258	1,446,876	1,473,805	1,293,062	1,373,941	1,437,176
	Total Minus Automobile	1,038,196	1,055,360	1,066,248	1,082,244	1,088,034	1,103,326	1,119,448	1,137,279	1,014,528	1,061,148	1,112,022
	Building Material, Hardware, Garden Supply, Mobile Home	70,444	73,280	74,328	78,024	77,167	78,146	79,172	80,140	69,488	74,062	78,656
	Building Material and Supply	50,468	53,012	53,248	56,676	56,614	57,870	58,832	59,748	49,774	53,534	58,266
	Hardware	9,844	9,984	10,256	10,608	10,623	10,798	10,929	10,921	9,530	10,152	10,818
Constant	Total Millions $1972 SAAR	635,500	648,388	661,912	656,104	663,480	667,445	670,860	676,580	621,128	650,476	669,591
	Total Minus Automobile	495,168	501,916	506,692	515,108	516,885	518,960	521,330	524,390	489,405	504,721	520,391
	Building Material, Hardware, Garden Supply, Mobile Home	31,104	32,464	33,968	34,568	33,850	33,940	34,045	34,120	31,185	32,801	33,989
	Building Material and Supply	22,284	23,484	23,690	25,146	24,870	25,170	25,335	25,475	22,623	23,651	25,213
	Hardware	4,344	4,424	4,563	4,700	4,660	4,690	4,700	4,650	4,334	4,508	4,675
	Building Materials % of Total Less Automobile ($Current)	4.86	5.02	4.99	5.24	5.20	5.25	5.26	5.25	4.91	5.04	5.24

Data: Department of Commerce
Bureau of Labor Statistics
National Association of Realtors
Department of Housing and Urban Development
March 27, 1986

The Home Center Industry Outlook runs in two parts, in alternate issues. The first part includes latest data on the General Economic Outlook; Residential Alterations & Repairs; and Retail Trade Activity. The second part includes latest data on regional building material & supply store sales; and industrial production. The *NHCN* Leading Indicator runs every issue.

SAAR—Seasonally Adjusted Annual Rate
p—projection
NHCN chart
Source: Merrill Lynch Economics for *NHCN*

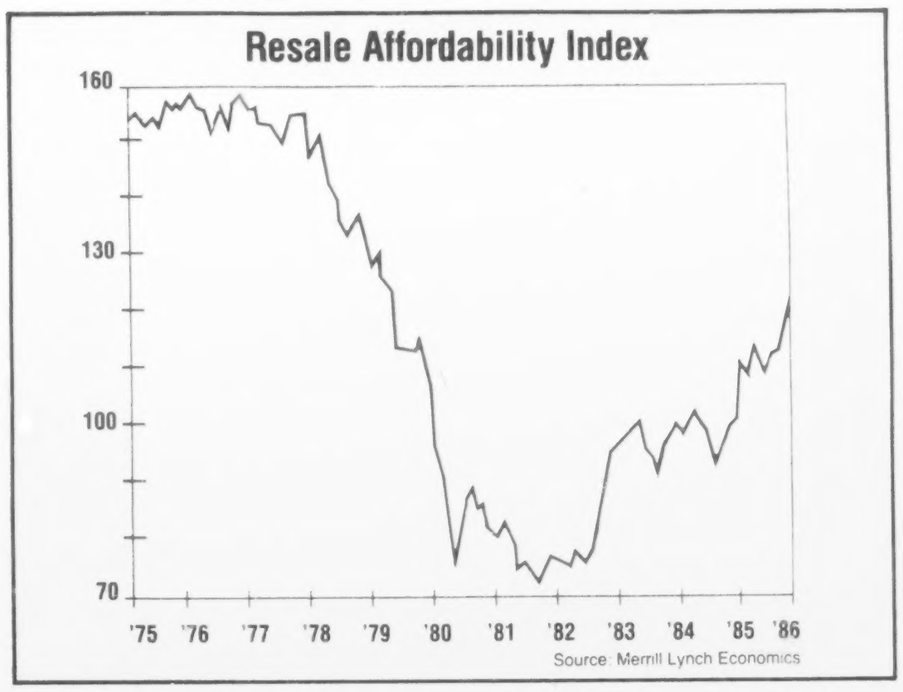
BUSINESS WATCH

Gains in housing affordability point to 10.5% rise in building material sales

(Continued from page 4)

choose 25-year, fixed-rate loans for the average-priced home. Because new and existing homes have different prices and mortgage rates, most firms have different affordability indexes for new and existing homes. *(see chart)*

Resales were the strongest housing market in 1985, rising 12%. They enjoyed an $11,000 price advantage over new homes. Weak economic conditions in areas dependent on energy industries and agriculture caused many home owners to sell. Falling prices for resales kept new-home demand in check. Resales also gained as they became more affordable to households entering the market for the first time and those who wanted to tradeup.



Home affordability has turned up sharply since the middle of 1983. Because of the persistence of high mortgage rates, the affordability level remains well below what it was in the 1970's.

Mortgage rates and affordability

Rise and decline of interest rates cause most of the changes in housing affordability. In the past year, the national average for effective fixed-rate mortgages for existing homes fell to 10.5% from 13.1%. By the third quarter of 1986, this rate will be 9.5%.

The decline in mortgage rates lowers monthly payments. The payment for a 25-year fixed-rate mortgage of $100,000 has declined from $1135 a year ago to $944 now and will near $874 by the end of the summer.

Resale prices to accelerate this year

Resale prices will increase 5% this year. Sellers will have more pricing flexibility as the economy strengthens. Building material costs will increase as the declining dollar makes imports more expensive, pushing prices of existing homes up even further.

Better affordability, brought about by the latest plunge in mortgage rates, points to a strong year for resales in 1986. The advances in resales in the second half of 1985 will increase building material demand during the first half of 1986, while the gains in resales this year will raise retail markets into 1987. Building material sales will advance at 7% in real volume.

Richard E. Mount is senior economist and manager of housing and construction material research for Merrill Lynch Economics.

Cyclops cancels buyout and separation of divisions

PITTSBURGH — Cyclops, the $1.3 billion parent company of Busy Beaver Building Centers, has backed out of its previously announced plan to take its private steel division in a management-led leveraged buy-out.(*NHCN*, Jan. 1).

The move, which would have left in place a public company consisting of Busy Beaver and Silo, a chain of 112 appliance stores, was canceled because of what Cyclops called complications in the tax laws.

"The retail company would have been obligated to take on the insurance benefits for the retirees from the steel division," said a Cyclops spokesman, in explaining the ramifications of the tax laws. As a result, "the outside shareholders became concerned that they would not get the premium over the market value they had expected."

As to whether an alternative plan could be developed to bring about a separation of the steel division from the retail one, Cyclops would only state that "we are pursuing other routes to maximize shareholder value and liquidity."

Home Depot reports 42% decline in 4thQ

ATLANTA — The Home Depot reported earnings of $8,219,000 for the 52 weeks ending Feb. 2, representing a decline of 42% from the $14,122,000 earnings of 1984.

The company reported revenues of $700,729,000 for the year, up by 62% over the 432,779,000 for fiscal 1984.

For the fourth quarter that ended Feb. 2, the company reported earnings of $2,587,000, compared with the $3,597,000 for the same quarter of the previous year.

Included in The Home Depot's fourth quarter 1985 earnings before income taxes is a net gain of $1,317,000 on the disposition of capital assets.

Revenues for the fourth quarter came to $203,724,000, up from the $117,380,000 in the prior year's fourth quarter.

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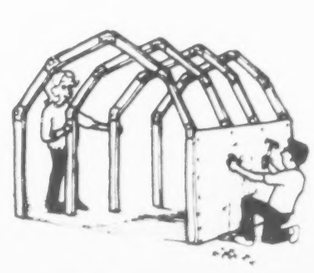

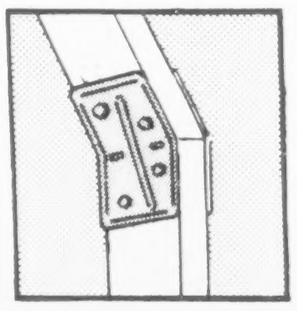

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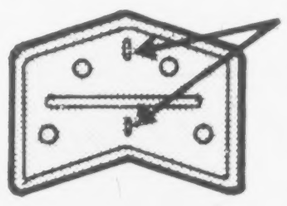

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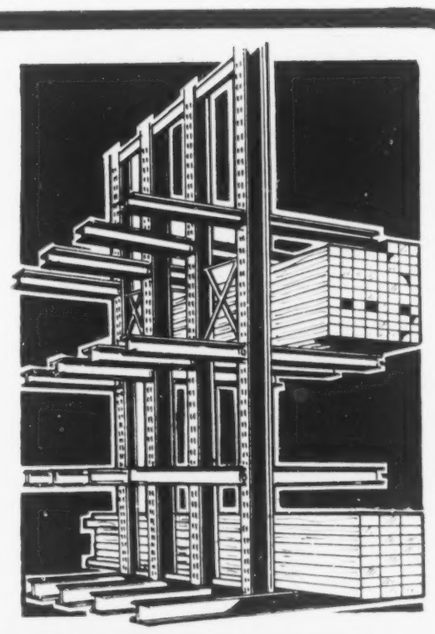

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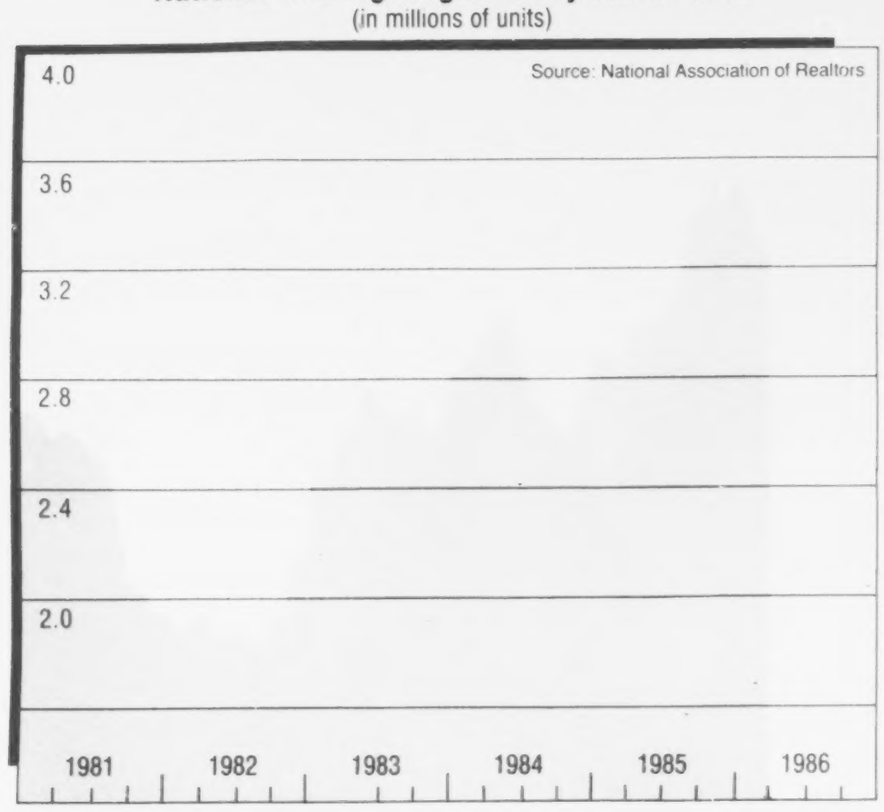
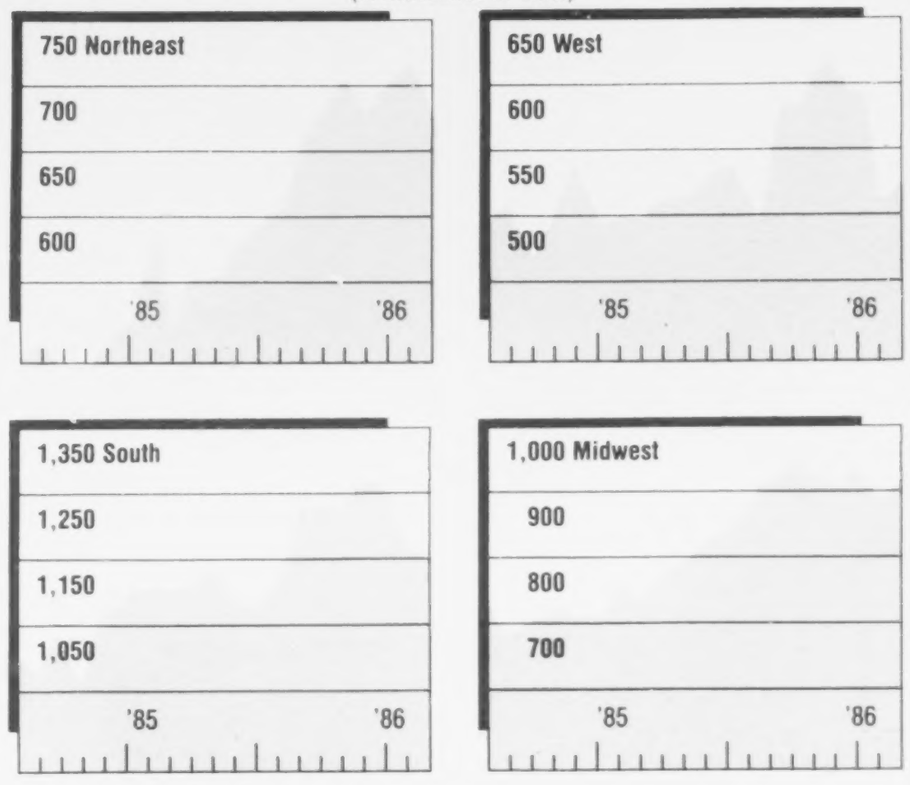
HOUSING WATCH

National existing single-family home sales
(in millions of units)



Regional existing single-family home sales
(in thousands of units)



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Quite simply, with the addition of La Door, Wing has the largest product mix available in today's market. You can order low cost doors for traffic . . . high margin doors for profit. And Wing works with you to create floor displays that touch the consumer's imagination, changing his concept of a door from an expense to an investment. Moving him to the top of the line.

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Feb. resale pace still above $3 M

By an NHCN staff editor

NATIONAL REPORT — The sale of existing single-family homes stayed fairly even with the January pace, dipping just .1%, to 3.27 million units, seasonally adjusted.

February marked the 12th consecutive month that the resale pace has been above the 3 million unit mark.

Home prices also rose during this recording period. The median-priced resale home cost $77,500 in February, $400 more than in January and 4.7% more than in February one year ago.

The stability in the resale market is associated with declining mortgage and interest rates and modest increases in home prices.

Despite the small dip in February's seasonally adjusted figures, the actual number of resales rose, from 213,000 in January to 217,000 in February, according to the association. The seasonal adjustor was too low to appreciably affect the seasonally adjusted numbers, the NAR explained.

The resale pace varied across the country in February. Both the Northeast and South experienced sales declines.

Home prices rose everywhere except in the South, which posted a $600 decline in the cost of a median-priced home, to $75,600.

Median sales price
(in thousands of dollars)

	Feb.[p]	Jan.[r]	Dec.	Nov.
U.S.	77.5	77.1	75.5	74.9
Northeast	99.5	97.8	93.7	89.2
South	75.6	76.2	74.1	75.0
Midwest	62.6	60.0	58.6	57.7
West	95.9	95.0	94.5	94.8

[p]-preliminary [r]-revised

Activity in the Northeast dropped 8.2% in February, to 670,000 units, seasonally adjusted. Despite the decline, the resale pace in this region is nearly 29% ahead of its February 1985 pace.

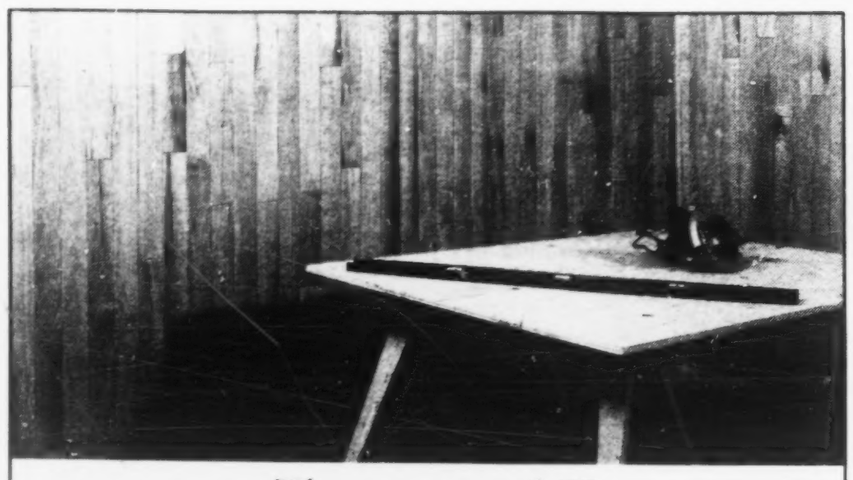
Home prices also rose in the Northeast in February, from $97,800 in January to $99,500, a 16.5% increase over the corresponding month a year earlier.

The resales decline in the South was small, less than 1%, according to the NAR. Resales activity fell to 1.15 million units, seasonally adjusted, from 1.16 million.

Activity was strong in the Midwest. Resales edged up 3.4% in February, to 920,000 units, seasonally adjusted. Home prices also rose 6.6%, from its February 1985 level, to $62,600, $2,600 more than in January.

The resale pace was nearly 2% stronger in the West in February, to 530,000 units, seasonally adjusted, than in January, from 520,000 units, the NAR reported.

Home prices in the West, also rose, $900 to $95,900, which was 4.2% higher than in February 1985.



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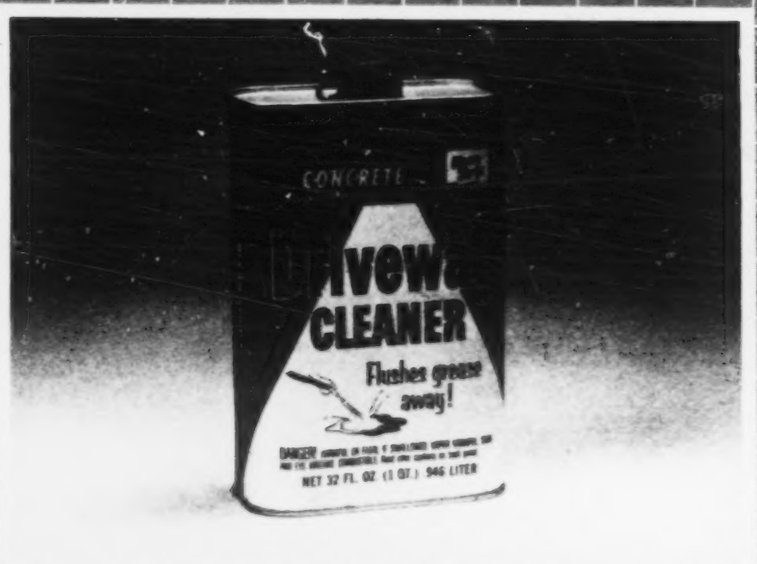

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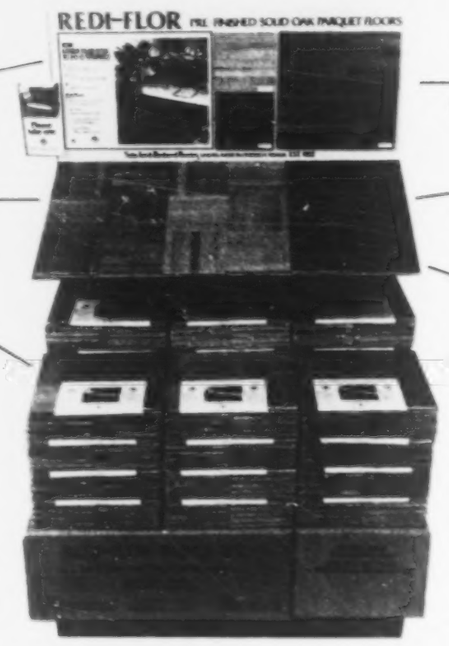
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LUMBER REPORT

Forest product prices soar; surpass highest levels of '85

(Continued from page 3)

Among these include the imminent expiration of major industry labor contracts which have stimulated brokers to buy before prices rise further; an unusual dip in the amount of Canadian-made panel products at border reloads and a shortage of available freight cars.

While figures to quantify the size of the Canadian import drop are hard to come by, sources familiar with Canadian production said the forest products producers there were taking advantage of currency devaluations to export more overseas and were concentrating more on their home market's increased demand.

Bill St. John, vice president of marketing for MacMillian-Bloedel, Canada's largest forest products producer, said while the company is looking forward to ship 65% of its production to the U.S. this year, the favorable currency relationships in the past month prodded the company and other Canadian producers to export more to Europe and Asia, thus accounting for the decline in reload border stations.

However, St. John and others insisted that the drop in supply to the U.S. was minimal, even though prices increased.

"With the change in exchange rates, there is more Canadian lumber going offshore, which means there is less available for the U.S., but it is not a big percentage," St. John said.

Although most industry observers believe the current upswing will not reach prerecession levels in the immediate future, nearly everyone agrees that the current escalation in prices is long overdue.

"Lumber prices have been at bargain prices for the past five years," said Fred Reseburg, economic director of the Western Wood Products Association (WWPA). "I hope this [the increases] lasts for the next three years.

"I think new price plateaus will be reached soon, hopefully a couple of steps ahead of where we have been and allow the companies to maintain a reasonable return on investment."

Despite the upward price movement, the current composite prices have quite a way to go before reaching the $260 per thousand square foot level that was reached in the spring of 1983, the first year of the recovery.

What's more, according to Al Goetzl, director of economics for the National Forest Products Association (NFPA), lumber prices would have to climb at least 30% to 40% before reaching price points attained in the late 70s.

Goetzl said the current upswing in prices is one of the most stimulating periods the industry has known in several years. But he warned that despite these positive signals, the industry is still in poor financial condition.

"Whether this trend is going to continue remains to be seen," Goetzl said. "It's my own view that the worst of the trough was reached probably last year in terms of lumber prices and they will probably head up in the next few months even more.

"But keep in mind, even at the price levels we are experiencing today, that prices are way below what they were several years ago. In real terms, even accounting for inflation, lumber is lower now than it was in 1977, 1978 or 1979, maybe as much as 30% to 40%."

Jon Anderson, editor of *Random Lengths*, said the price hike had begun to soften by the end of March, and he argued that the jump in lumber prices could be a short-lived phenomenon, partially precipitated by excessive futures speculation.

"When you get greater demand in the market on a short-term basis, it will trigger a price rise rather quickly," Anderson said. "Once prices start climbing, you get a lot of speculative activity out there.

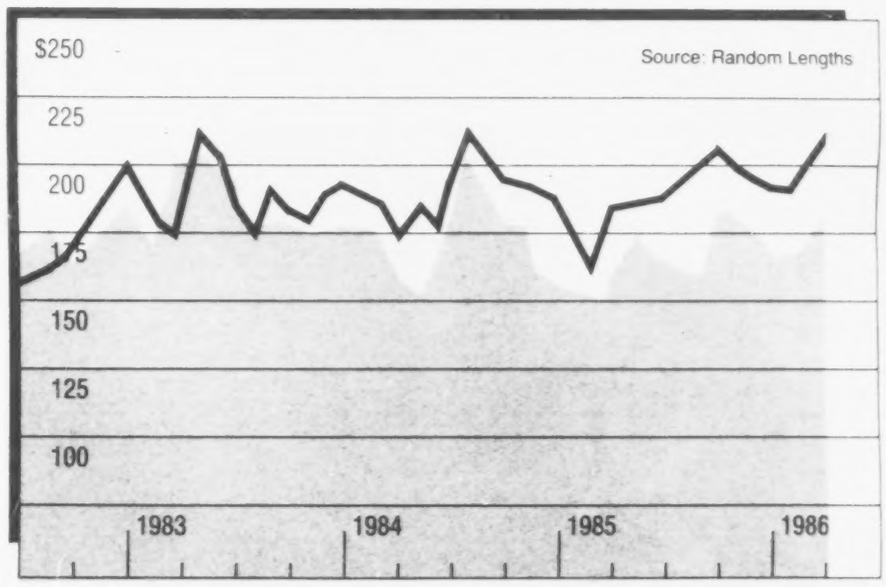
"So some guy that sees a price rise in a product he has to buy, but doesn't need until two months from now, may go into the market to protect himself against a huge price climb later. He probably figures it will cost him more if he didn't carry it in his inventory.

"Prices have not reached the highest point since the recession, but they are heading that way."

Bill Jacob, national waferwood sales manager for Louisiana-Pacific Corp. believes prices will firm about ten dollars ahead of current price levels within the next few weeks. But like other observers, Jacob believes the continued oversupply in the industry may haunt forest producers over the long run.

Commodity close-up

Western and Southern Plywood
Average monthly mill prices
(per thousand board feet)



Intense market activity has pushed plywood prices above the highest levels reached during all of 1985 and some industry observers believe price levels may not firm until the summer. The monthly average for Douglas fir ½-in. CD Ext. 4/5 ply jumped $23 in one month from $194 in February to $217 in March. Southern pine ½-in CD Ext. 3 ply rose from $171 in February to $181 in March.

Futures

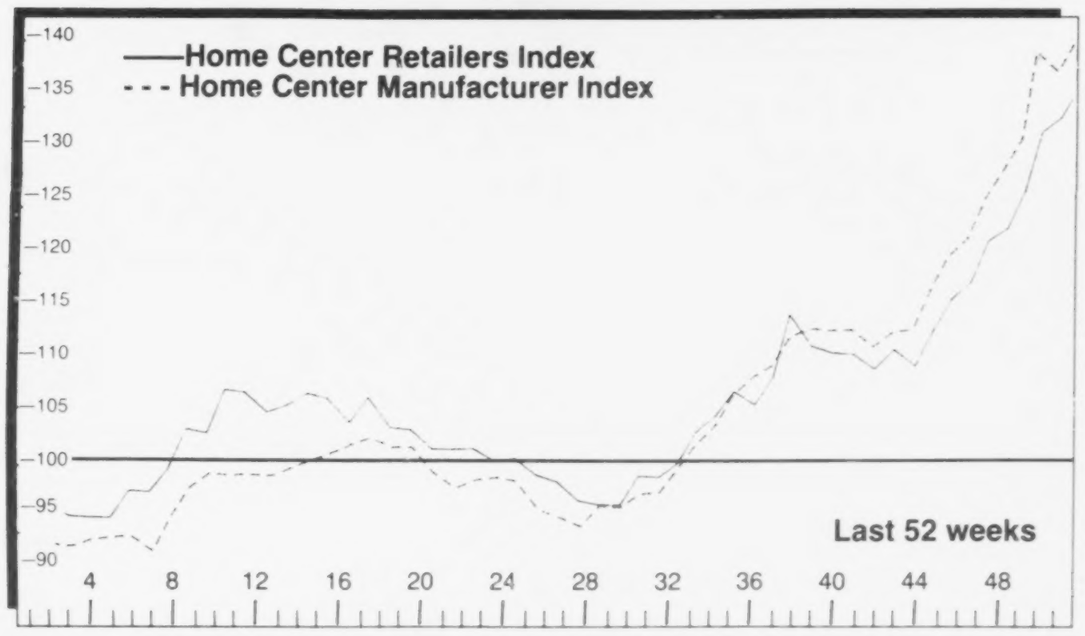
LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.
Two weeks ended March 27, 1986

	High	Low	Close (Settle)	Previous Week	Open* Interest	Contract High	Contract Low
May '86	197.00	178.20	178.90	201.00	4,277	197.00	140.00
July	190.90	173.20	174.50	188.50	2,933	190.90	144.00
Sept.	182.00	166.60	168.50	183.80	1,320	182.40	145.50
Nov.	173.10	160.20	162.90	176.50	971	174.50	146.00
Jan. '87	175.00	163.30	166.50	168.80	122	175.00	150.00
Mar.	175.50	163.00	164.70	173.70	120	175.50	153.00
May	173.00	160.00	163.60	174.70	120	173.00	160.00

Total Volume (thru 3/26): 25,615 — **Previous Two Weeks: 32,583**
Total Open Interest (thru 3/26): 9,756 — **Previous Week: 9,482**
Cash Price: $198.94 — **Last week: $196.98** — **Year ago: $125.44**

CME—Chicago Mercantile Exchange
*Figures for Thursday, March 6.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

FINANCIAL NEWS

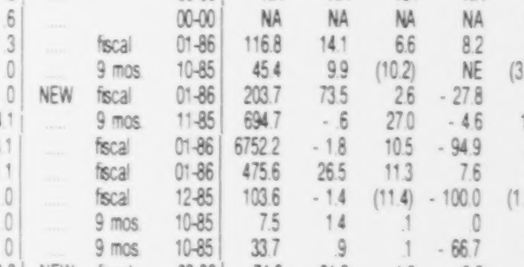


The home center retailer and manufacturer stock market indices are a measurement of the changes in aggregate market value compared to their value on Feb. 1, 1985, which has been set to equal 100 on the index. Aggregate market value is the sum of each stock's price multiplied by its number of shares outstanding, adjusted to eliminate the effects of additions or deletions of companies to the *NHCN* stock list.

MOST ACTIVE STOCKS

Company & Market		Total 2-Week Volume	Volume Trend Change	2-Week Price Change
		(100)	%	%
Waxman Ind	M	2,185	291.6	4.1
Std Brd Pnt	N	6,281	288.1	- 4.3
Natl Gypsum	N	31,691	276.2	- .3
Supermkts Gen	N	6,435	266.3	- .7
Erb Lumber	M	186	220.0	- 1.6
Insilco Corp	N	8,389	209.4	2.3
Payless Cash	N	28,214	178.8	6.4
Black & Decker	N	45,599	170.5	- 12.5
K mart Cp	N	103,641	165.8	3.7
Forest City Ent	A	247	165.2	1.3

The Volume Trend Change is the per cent difference between the latest 2-week average volume and the previous 12-week average volume.*



PRICE MOVEMENT

Company & Market		2-Weeks Ended 4-4-86	2-Week Price Change	Total 2-Week Volume
Winners		$	%	(100)
Hechinger B	M	26.00	9.5	1,129
Clopay Corp	A	18.00	8.3	294
Homecrafters Whse	M	1.75	7.7	577
Payless Cash	N	23.00	6.4	28,214
Hechinger A	M	25.75	6.2	5,114
Manville Cp	N	7.75	5.1	12,688
Waxman Ind	M	16.00	4.1	2,185
K mart Cp	N	45.75	3.7	103,641
Wolohan Lumber	M	8.63	3.0	1,900
USG Corp	N	67.75	2.7	9,740
Losers		$	%	(100)
Pope & Talbot	N	20.50	- 13.7	1,059
Black & Decker	N	20.13	- 12.5	45,599
Wickes Cos	A	5.50	- 12.0	107,160
Natl Lumber	M	4.75	- 11.6	420
Ply-Gem	A	13.50	- 10.7	1,903
Walter, Jim	N	51.25	- 8.3	8,961
Home Depot	N	14.63	- 7.9	7,916
Lewis Palmer	M	9.13	- 7.6	766
Georgia-Pacifc	N	30.25	- 7.3	39,349
Thos Inds	N	23.88	- 7.3	1,076

National Home Center News

HOME CENTER MARKET SUMMARY

Company and Market		Stock Market: Price: 2-Weeks Ended 4-04-86 $	2-Weeks Change Amt. $	2-Weeks Change Pct. %	2-Week Range High $	2-Week Range Low $	52-Week Range High $	52-Week Range Low $	Volume: 2-Weeks Shares Traded Total (100)	2-Weeks Shares Traded % Out %	12-Week Avg. Vol. As % Out %	Volume Trend Change %	Financial Update: P/E Ratio -	Indicated Divd. Rate Amt. $	Indicated Divd. Rate Yld. %	Latest Report: New Report -	Period -	Date Ended -	Latest Quarter: Revenue Amt. $Mil	Revenue Chg. %	Net Income Amt. $Mil	Net Income Chg. %	E.P.S. Amt. $	E.P.S. Chg. %	Year-to-Date: Revenue Amt. $Mil	Revenue Chg. %	Net Income Amt. $Mil	Net Income Chg. %	E.P.S. Amt. $	E.P.S. Chg. %
Retailers																													
Color Tile	M	21.50	- 1.50	- 6.5	23.50	21.50	23.50	15.25	3,994	4.25	3.41	24.6	14.6	.00	0		6 mos.	12-85	87.2	4.8	3.3	- 2.9	.34	- 8.1	182.2	14.8	6.6	6.5	.70	2.9
Erb Lumber	M	63.00	- 1.00	- 1.6	65.00	61.00	65.00	20.75	186	2.08	.65	220.0	9.2	.00	0	NEW	fiscal	12-85	47.9	33.8	1.8	125.0	2.01	105.1	190.2	29.0	6.1	110.3	6.88	110.4
Forest City Ent	A	29.38	.38	1.3	29.75	28.50	29.75	20.38	247	.61	.23	165.2	54.4	.30	1.0		9 mos.	10-85	72.8	14.3	.0	- 100.0	.00	- 100.0	200.0	5.7	3.6	20.0	.45	12.5
Grace W R	N	49.00	- 3.25	- 6.2	53.88	48.50	57.25	35.50	16,506	3.03	3.05	- .7	17.4	2.80	5.7		fiscal	12-85	2013.2	10.0	44.7	- 24.4	.86	- 29.5	7260.1	7.9	146.9	- 24.9	2.82	- 29.9
Handyman	A	28.50	- .13	- .4	28.88	28.38	29.88	21.75	231	.91	.58	56.9	NA	.15	.5			00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger A	M	25.75	1.50	6.2	26.75	24.00	27.00	16.00	5,114	5.85	3.16	85.1	NA	.16	.6			00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B	M	26.00	2.25	9.5	26.50	23.50	27.00	16.00	1,129	.84	.57	47.4	26.8	.08	.3		fiscal	01-86	116.8	14.1	6.6	8.2	.27	.0	479.0	18.2	23.1	10.5	.97	5.4
Homecrafters Whse	M	1.75	.13	7.7	2.13	1.63	8.75	1.00	577	2.04	1.94	5.2	NE	.00	0		9 mos.	10-85	45.4	9.9	(10.2)	NE	(3.62)	NE	143.0	18.0	(13.5)	NE	(4.80)	NE
Home Depot	N	14.63	- 1.25	- 7.9	16.63	14.63	20.38	10.50	7,916	3.15	2.75	14.5	44.3	.00	0	NEW	fiscal	01-86	203.7	73.5	2.6	- 27.8	.11	- 21.4	700.7	61.9	8.2	- 41.8	.33	- 41.1
INTERCO Inc	N	76.00	- 2.75	- 3.5	79.75	76.00	79.75	61.13	2,806	1.98	1.04	90.4	14.8	3.08	4.1		9 mos.	11-85	694.7	- .6	27.0	- 4.6	1.71	216.7	1927.7	- 5.7	61.4	- 15.0	3.89	21.9
K mart Cp	N	45.75	1.63	3.7	46.50	42.50	46.50	30.63	103,641	8.24	3.10	165.8	26.4	1.40	3.1		fiscal	01-86	6752.2	- 1.8	10.5	- 94.9	.09	- 94.3	22420.0	6.3	221.2	- 55.7	1.73	- 54.9
Lowe's Cos	N	36.25	- 2.50	- 6.5	39.50	35.75	41.38	20.75	10,712	2.89	2.14	35.0	22.1	.40	1.1		fiscal	01-86	475.6	26.5	11.3	7.6	.31	6.9	2072.6	22.7	59.7	- 2.8	1.64	- 3.5
Mich General	A	4.38	- .13	- 2.8	4.75	4.00	6.88	3.25	1,447	1.28	1.64	- 22.0	NE	.00	.0		fiscal	12-85	103.6	- 1.4	(11.4)	- 100.0	(1.01)	- 100.0	439.0	- 2.3	(34.6)	- 100.0	(3.06)	- 100.0
Natl Hardgoods	M	7.38	.00	0	7.75	7.38	9.00	5.50	105	.85	.62	37.1	12.9	.00	0		9 mos.	10-85	7.5	1.4	.1	0	.09	NC	24.5	7.9	.4	.0	.32	- 8.6
Natl Lumber	M	4.75	- .63	- 11.6	5.00	4.25	7.25	4.00	420	.75	.64	17.2	23.8	.00	0		9 mos.	10-85	33.7	.9	.1	- 66.7	.02	- 60.0	101.6	6.8	.8	- 20.0	.14	- 22.2
Pay N Pak	N	15.00	- .88	- 5.5	15.88	15.00	16.00	11.63	2,438	2.44	1.57	55.4	18.3	.64	4.3	NEW	fiscal	02-86	74.6	21.3	1.3	8.3	.13	8.3	333.8	9.4	8.2	- 18.8	.82	- 18.8
Payless Cash	N	23.00	1.38	6.4	23.63	20.75	23.63	13.50	28,214	8.14	2.92	178.8	20.2	.16	.7		3 mos.	02-86	274.5	7.7	2.4	50.0	.07	40.0	274.5	7.7	2.4	50.0	.07	40.0
Scotty's Inc	N	15.75	- 1.00	- 6.0	17.50	15.50	17.63	12.38	2,179	1.51	.97	55.7	13.6	.52	3.3		6 mos.	12-85	120.6	10.0	2.8	- 22.2	.19	- 26.9	230.9	9.3	5.6	- 20.0	.39	- 25.0
Sears, Roebuck	N	46.50	.50	1.1	50.38	45.75	50.38	31.75	83,398	2.29	1.15	99.1	13.2	1.76	3.8		fiscal	12-85	12068.2	5.2	552.3	- 1.9	1.50	- 2.6	40715.3	3.9	1303.3	- 10.4	3.53	- 12.0
Svc Merchandise	M	14.00	- .13	- .9	15.00	14.00	16.13	11.25	16,155	4.85	3.88	25.0	43.8	.08	.6		fiscal	12-85	1105.5	51.4	29.1	- 17.1	.87	- 23.7	2526.5	52.5	10.7	- 76.0	.32	- 78.1
Std Brd Pnt	N	22.13	- 1.00	- 4.3	24.75	22.13	24.75	18.75	6,281	5.55	1.43	288.1	15.8	.56	2.5	NEW	fiscal	01-86	71.6	1.3	1.6	- 64.4	.14	- 65.0	338.0	7.3	15.8	- 24.0	1.40	- 25.1
Supermkts Gen	N	56.00	- .38	- .7	59.38	56.00	59.38	37.75	6,435	3.59	.98	266.3	15.7	.48	.9	NEW	fiscal	01-86	1356.3	1.5	21.6	- 2.3	1.21	- 3.2	5122.6	17.9	63.7	21.6	3.56	20.7
Wickes Cos	A	5.50	- .75	- 12.0	6.38	5.38	6.88	3.44	107,160	11.10	6.25	77.6	NA	.00	0			10-85	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Wolohan Lumber	M	8.63	.25	3.0	9.00	8.25	9.00	5.25	1,900	3.25	1.73	87.9	14.4	.16	1.9		fiscal	12-85	37.4	3.3	1.3	62.5	.22	57.1	150.7	8.3	3.5	34.6	.60	33.3
Zayre Corp	N	71.63	.75	1.1	74.50	70.88	74.50	40.31	8,272	2.82	1.61	75.2	22.2	.48	.7		fiscal	01-86	1499.0	47.1	37.9	9.2	1.14	- 11.6	4036.0	29.2	94.6	17.8	3.23	8.0
Wholesalers																													
Lewis Palmer	M	9.13	- .75	- 7.6	9.50	8.88	9.88	6.38	766	1.96	2.01	- 2.5	39.7	.28b	3.1		fiscal	01-86	30.6	- .3	.1	NE	.01	NE	141.0	- 2.4	.9	- 18.2	.23	- 23.3
Manufacturers																													
Allegheny Int	N	22.50	- 1.38	- 5.8	24.63	22.50	28.75	16.50	3,861	3.59	3.33	7.8	NE	.00	0		fiscal	12-85	537.5	- 7.4	(52.8)	NE	(5.61)	NE	2056.7	- 2.8	(109.1)	- 100.0	(13.08)	NE
Am Standard	N	42.75	- 2.25	- 5.0	46.63	42.50	46.88	26.75	12,212	3.11	1.77	75.7	13.8	1.60	3.7		fiscal	12-85	413.8	- 52.0	36.2	17.5	.92	17.9	2912.0	- 9.4	122.0	6.2	3.10	1.0
Armstrng Wrld	N	56.00	- 3.88	- 6.5	61.88	56.00	61.88	31.88	7,357	3.07	1.86	65.1	13.3	1.30	2.3		fiscal	12-85	426.0	11.4	22.6	20.2	.94	19.0	1679.2	7.0	100.9	9.4	4.20	10.8
Black & Decker	N	20.13	- 2.88	- 12.5	23.63	19.50	23.88	17.25	45,599	8.98	3.32	170.5	26.5	.64	3.2		3 mos.	12-85	521.7	3.7	20.9	- 27.9	.41	- 28.1	521.7	3.7	20.9	- 27.9	.41	- 28.1
Boise Cascade	N	54.50	- 4.25	- 7.2	59.88	54.50	59.88	37.63	13,497	4.99	2.50	99.6	15.8	1.90	3.5		fiscal	12-85	892.7	- 1.6	19.0	NE	.61	NE	3737.2	- 2.1	104.3	49.9	3.45	54.7
Certain-teed	N	33.38	- .50	- 1.5	34.13	32.38	34.13	22.25	4,758	2.51	1.32	90.2	12.2	.90	2.7		fiscal	12-85	261.7	- 4.4	10.4	- 25.2	.55	- 21.4	1109.7	- 6.7	53.4	22.8	2.73	25.8
Champ Intl	N	26.25	- 1.50	- 5.4	29.38	26.25	29.75	20.00	23,871	2.57	2.14	20.1	16.5	.52	2.0		fiscal	12-85	1194.7	- 29.3	38.1	NE	.37	NE	5769.8	12.7	163.1	NE	1.59	NE
Clopay Corp	A	18.00	1.38	8.3	19.13	16.50	22.00	11.25	294	1.90	.78	143.6	NE	.16	.9		fiscal	12-85	35.5	- 2.5	(.2)	- 100.0	(.14)	- 100.0	139.2	3.9	(1.9)	- 100.0	(1.24)	- 100.0
DeSoto Inc	N	40.00	- .25	- .6	40.63	39.75	40.63	31.50	358	.75	.48	56.3	13.5	1.40	3.5		fiscal	12-85	75.5	- 3.6	2.9	- 19.4	.60	- 15.5	405.6	- .4	14.2	- 27.6	2.97	- 16.6
Emhart Corp	N	40.13	- .13	- .3	42.63	39.50	42.63	26.25	2,979	1.08	.87	24.1	13.8	1.40	3.5		fiscal	12-85	484.4	8.1	23.6	- 7.8	.87	26.1	1775.0	- 1.1	80.0	- 11.5	2.90	- 11.3
Georgia-Pacifc	N	30.25	- 2.38	- 7.3	33.25	30.25	33.50	20.50	39,349	3.81	1.94	96.4	19.6	.80	2.6	NEW	fiscal	12-85	1590.0	- 10.0	3.0	NE	(.02)	NE	6716.0	.5	177.0	NE	1.54	58.8
Insilco Corp	N	22.25	.50	2.3	24.50	21.13	24.50	16.63	8,389	4.27	1.38	209.4	16.2	1.00b	4.5		fiscal	12-85	174.7	- 3.4	3.6	- 50.7	.17	- 57.5	811.8	3.2	26.1	- 20.9	1.37	- 24.7
La Pacific	N	27.13	- 1.25	- 4.4	30.13	26.88	30.13	17.13	12,010	3.29	1.57	109.6	38.8	.80b	2.9		fiscal	12-85	312.6	10.2	6.8	- 67.6	.19	- 69.4	1260.9	2.5	25.5	- 39.6	.70	- 41.2
MacMlln Bldel	N	20.63	- .38	- 1.8	21.50	20.00	21.50	12.47	484	.16	.08	100.0	38.2	.00a	0		fiscal	12-85	601.7	4.0	20.4	- 15.0	.44	- 21.4	2335.4	9.8	42.9	122.3	.54	NE
Manville Cp	N	7.75	.38	5.1	8.50	7.50	8.88	5.13	12,688	5.29	4.22	25.4	NE	.00	0		fiscal	12-85	536.4	17.5	20.9	14.8	.61	22.0	1941.8	7.0	(45.1)	- 100.0	(2.92)	- 100.0
Masco Corp	N	54.75	- 1.75	- 3.1	60.50	54.63	60.50	28.50	13,775	2.14	1.15	86.1	21.4	.64	1.2		fiscal	12-85	704.9	228.3	141.3	551.2	1.42	330.3	1154.0	13.2	164.5	41.9	2.56	28.0
Mor-Flo Inds	M	18.50	- .38	- 2.0	19.25	18.50	19.75	14.50	386	1.52	.93	63.4	11.2	.01	1		fiscal	12-85	53.2	.0	.5	- 72.2	.20	- 70.1	206.2	2.9	4.2	- 36.4	1.65	- 36.3
Natl Gypsum	N	49.38	- .13	- .3	49.88	49.38	49.88	25.09	31,691	13.88	3.69	276.2	9.8	1.52	3.1		fiscal	12-85	62.6	- 85.4	19.5	- 22.6	.86	- 20.4	1340.0	- 22.0	116.1	8.7	5.02	9.6
Newell Co	N	30.00	.38	1.3	31.00	28.50	31.00	15.13	3,504	4.07	1.84	121.2	14.4	.70	2.3	NEW	fiscal	12-85	96.6	7.6	5.5	31.0	.61	32.6	350.0	13.5	18.9	33.1	2.09	29.0
Owens Corning	N	51.00	- 1.25	- 2.4	56.75	50.50	56.75	30.75	10,734	3.60	2.57	40.1	11.5	1.40	2.7		fiscal	12-85	966.6	27.9	44.1	31.3	1.48	29.8	3305.0	9.4	131.2	15.2	4.42	14.2
Ply-Gem	A	13.50	- 1.63	- 10.7	15.50	13.25	15.50	8.84	1,903	2.59	2.38	8.8	20.5	.12	.9		fiscal	12-85	43.5	15.7	1.1	- 15.4	.15	- 31.8	166.5	3.5	4.2	- 6.7	.66	- 18.5
Pope & Talbot	N	20.50	- 3.25	- 13.7	23.88	20.38	24.75	16.75	1,059	1.77	1.31	35.1	18.5	.80	3.9	NEW	fiscal	12-85	74.9	- 5.1	.6	NE	.10	NE	325.2	1.6	6.7	NE	1.11	NE
Potlatch Cp	N	41.88	- .38	- .9	44.88	41.13	44.88	31.75	2,532	1.95	.84	132.1	19.1	1.56	3.7		fiscal	12-85	227.4	- 3.7	4.4	- 56.0	.26	- 55.2	950.3	- 4.4	37.7	- 24.0	2.19	- 21.8
Sherwin-Wms	N	28.38	- .38	- 1.3	29.00	27.31	29.38	15.75	8,785	1.91	.94	103.2	17.5	.50	1.8		fiscal	12-85	517.4	3.2	11.3	24.2	.24	20.0	2194.9	5.8	74.6	14.8	1.62	14.1
SW Forest Ind	N	14.50	- 1.13	- 7.2	15.88	14.50	15.88	9.88	3,276	3.53	2.55	38.4	NE	.00	0		fiscal	12-85	169.2	- 10.9	(5.0)	- 100.0	(.42)	NE	700.1	- 9.9	(12.3)	- 100.0	(1.67)	- 100.0
Stanley Works	N	43.75	1.00	2.3	46.25	42.00	46.25	26.50	5,434	1.89	1.25	51.2	15.4	1.04	2.4		fiscal	12-85	322.4	5.4	25.7	14.7	.93	14.8	1208.3	4.3	78.3	8.1	2.85	9.6
Thos Inds	N	23.88	- 1.88	- 7.3	26.75	23.63	26.75	14.41	1,076	.80	.35	128.6	19.7	.68b	2.8		fiscal	12-85	77.6	6	4.2	7.7	.31	3.3	309.5	6.1	16.2	1.9	1.21	1.7
Triangle Pac	N	53.25	.13	.2	53.38	53.25	53.38	26.00	951	2.52	2.84	- 11.3	13.9	1.00	1.9		fiscal	12-85	65.7	4.1	3.6	24.1	.92	29.6	263.9	- 2.5	15.2	11.8	3.82	15.8
USG Corp	N	67.75	1.75	2.7	73.25	66.25	73.25	30.75	9,740	2.92	1.64	78.0	10.1	1.92	2.8		fiscal	12-85	635.2	4.0	53.9	30.5	1.63	31.5	2526.5	9.0	223.8	19.9	6.71	19.0
Walter, Jim	N	51.25	- 4.63	- 8.3	58.50	51.25	60.00	31.00	8,961	4.23	2.52	67.9	10.3	1.40	2.7	NEW	6 mos.	02-86	517.0	- 1.8	18.3	22.0	.33	- 52.2	1079.1	- .5	50.0	18.8	1.78	- 7.8
Waxman Ind	M	16.00	.63	4.1	16.50	15.75	16.88	9.25	2,185	6.97	1.78	291.6	29.6	.08	.5		6 mos.	12-85	23.3	14.2	.5	.0	.17	- 43.3	44.8	9.5	1.1	- 8.3	.35	- 50.0
Weyerhaeuser	N	36.00	- .63	- 1.7	38.63	35.75	38.75	24.75	25,200	1.94	1.37	41.6	27.3	1.30	3.6		fiscal	12-85	1238.0	- 12.1	63.6	132.1	43	168.8	5205.6	- 6.2	200.1	- 11.5	1.32	- 13.2

All data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column
P.E Ratio—Price earnings ratio
E.P.S.—Earnings per share

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

*Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219.